

UNITED STATES DISTRICT COURT  
for the  
Eastern District of Michigan

United States of America  
v.

Katrina Patreese Maddox

Case No. Case: 2:22-mj-30052  
Assigned To : Unassigned  
Assign. Date : 2/4/2022  
USA V. SEALED MATTER (CMP)(CMC)

**CRIMINAL COMPLAINT**

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of May 2020- December 2021 in the county of Wayne and elsewhere in the  
Eastern District of Michigan, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 1341	Mail Fraud
18 U.S.C. § 1343	Wire Fraud
18 U.S.C. § 1028A	Aggravated identity theft

This criminal complaint is based on these facts:

☒ Continued on the attached sheet.

Sworn to before me and signed in my presence  
and/or by reliable electronic means.

Date: February 4, 2022

City and state: Detroit, MI



*Complainant's signature*

Shanika Sanders - Special Agent

*Printed name and title*



*Judge's signature*

Kimberly G. Altman- U.S. Magistrate Judge

*Printed name and title*

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

Katrina Patreese Maddox,  
  
Defendant.

Case No. Case: 2:22-mj-30052  
Assigned To : Unassigned  
Assign. Date : 2/4/2022  
USA V. SEALED MATTER (CMP)(CMC)

**Filed Under Seal**

**AFFIDAVIT IN SUPPORT OF  
A CRIMINAL COMPLAINT**

I, Shanika Sanders, being first duly sworn, hereby depose and state as follows:

**I. INTRODUCTION AND AGENT BACKGROUND**

1. I make this affidavit in support of an application for a criminal complaint charging the above individual with mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), and aggravated identity theft (18 U.S.C. § 1028A).

2. I am a Special Agent (SA) of the U.S. Department of Labor, Office of Inspector General (DOL/OIG), and have been so employed since January 2016. Prior to this assignment, I was employed as an investigator in Industry Operations for the Bureau of Alcohol, Tobacco, Firearms and Explosives for three years. I am currently assigned to the Detroit Field Office of DOL/OIG.

3. During my years at the Department of Labor, I have conducted numerous investigations into criminal violations of both Title 29 and Title 18 of

the United States Code. During this time, I have been either the lead agent or supporting agent on several investigations involving criminal schemes targeting the State of Michigan's (SOM) Unemployment Insurance Agency (UIA) through the filing of false or fictitious unemployment insurance (UI) claims. Based on my direct personal experience with these cases, I have become familiar with the methods that criminals use to attack and exploit the UI systems, as well as tools and methods criminals often utilize to facilitate that fraud.

4. This affidavit is being submitted for the limited purpose of showing that there is sufficient probable cause for the requested criminal complaint and arrest warrant and does not set forth all my knowledge about this matter. The information stated below is based upon my personal observations as well as information received from State of Michigan Fraud Investigators, and other reliable sources.

5. This investigation concerns false and fraudulent unemployment insurance (UI) claims filed in relation to the COVID-19 pandemic. As described below, KATRINA PATREESE MADDUX has obtained money or property by means of false and fraudulent pretenses and representations, facilitated using interstate wire communications.

## **II. BACKGROUND ON PANDEMIC UNEMPLOYMENT ASSISTANCE**

6. State unemployment systems and benefits are joint state and federal enterprises largely financed by taxes on private employers located in that state. When state unemployment benefits are exhausted, they may be supplemented by federal funds appropriated by the U.S. DOL. At the time of this application, the federal government is providing significant supplemental benefits to the states because of the COVID-19 pandemic.

7. The Families First Coronavirus Response Act (FFCRA) became law on March 18, 2020 and provided additional flexibility for state unemployment insurance agencies and additional administrative funding to respond to the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was later signed into law on March 27, 2020, and the American Rescue Plan Act of 2021 (ARPA) was later signed and further expanded states' ability to provide unemployment insurance for many workers impacted by the COVID-19 pandemic, including for workers who are not ordinarily eligible for unemployment benefits. One such program established to accomplish that end was the Federal Pandemic Unemployment Compensation (FPUC) program.

8. The FPUC allowed eligible individuals who were collecting certain UI benefits, including regular unemployment compensation, to receive an additional \$600.00 in federal benefits per week for weeks of unemployment

ending on or before July 31, 2020. Another such program, the Pandemic Emergency Unemployment Compensation (PEUC) program, allowed those who exhausted benefits under regular unemployment compensation or other programs to receive up to 13 weeks of additional federally funded benefits up to December 26, 2020.

9. On December 27, 2020, the President signed legislation that extended these programs for an additional 12 weeks. Those receiving unemployment benefits were entitled to an additional \$300.00 for each week of unemployment until April 4, 2021. At the time of this application, the legislation and programs detailed above ended many of these federally backed benefits early September 2021. That is all to say, the recent federal legislation and programs detailed above allowed for a significant outlay of federal funds to flow to and through the states to offset the recent and historic need of the American workforce for unemployment benefits because of the COVID-19 pandemic, including the American workforce in the SOM and in the Eastern District of Michigan (EDMI). Collectively and colloquially, the funds flowing from these programs have come to be known as Pandemic Unemployment Assistance (PUA).

10. In order to receive UI benefits, individuals are required to file claims with the UI program in the state in which the individual worked. Depending upon the state, claims may be filed in person, by telephone, or online.

11. In the State of Michigan, the UI system is administered by the UIA, which is part of the SOM's Department of Labor and Economic Opportunity (DLEO). Normally (in the absence of fraud), an unemployed worker initiates a UI claim. This can be accomplished by submitting a claim in person, over the telephone, or via the Internet. Currently, most UI claims are filed online through the UIA's website. To be eligible for UI benefits, the worker must demonstrate a certain level of earnings in several quarters immediately preceding the application. The amount of unemployment benefits that a UI claimant might be eligible for depends on a variety of factors, including but not limited to the length of his or her previous employment and the amount of wages he or she earned.

12. The origin of the payment to the SOM-UIA's bank account from the SOM-UIA's ASAP account originates from Michigan, where SOM-UIA is located. Once the SOM-UIA makes this request, the Treasury Web Applications Infrastructure (commonly referred to as the TWAI) routes the funds through one of two Operations Centers, either the Dallas Operations Center (DOC) located in Dallas, Texas, or the East Rutherford Operations Center (EROC) located in East Rutherford, New Jersey. The payment path always includes routing through one of these two centers for processing. If it is an ACH payment, the payment generally passes through the ACH Clearinghouse, also known as The Clearing House, in Atlanta, Georgia. Alternatively, if the ASAP payment is being made as

a Fedwire payment, the payment path typically passes through the FRB New York's Clearinghouse, located at the EROC in New Jersey. Whether the SOM-UIA's bank account is located in the same state, or elsewhere, the funds would have necessarily flowed through the facilities outside the state of Michigan described above prior to arriving in the SOM-UIA's bank account.

13. After the UIA accepts an unemployment claim, it transfers the initial unemployment benefits into an account associated with a bank, a prepaid debit card, or a UI debit card. Multiple states, including Michigan, provide UI benefits to a claimant using a debit card, issued by Bank of America (BOA), which is mailed to the claimant through the USPS. The unemployment benefits are loaded onto the debit card electronically, and additional benefits are loaded onto the card electronically every two weeks.

14. The investigation has revealed that after UI funds were processed, subjects known and unknown used Bank of America debit cards to make cash withdrawals from automated teller machines (ATMs) throughout metro Detroit.

### **III. DEFENDANT**

15. There is probable cause to believe that KATRINA PATREESE MADDOX, a 45-year-old female, believed to reside in Southfield, Michigan, willfully committed both mail and wire fraud; that is, obtained money or property through the submission of false and fraudulent UI claims, the processing and

payment of which involved both the use of the mails and interstate wire transmissions. Further, MADDUX made use of the personal identifying information (PII) of multiple individuals during and in relation to the scheme to defraud and obtain money or property.

#### **IV. PROBABLE CAUSE**

16. The investigation has revealed that the named defendant is responsible for the submission of over 35 fraudulent UI claims to the state of Michigan and has fraudulently tried to obtain PUA UI benefits, utilizing her own name, in an additional five other states. On five occasions, the same Michigan identification card was used as proof of identity, for multiple claims, in the filing of the UI claims. Also, over 18 UI claims in this investigation did not have reported wages earned, making them ineligible for Pandemic Unemployment Assistance UI benefits. As a result of the scheme, approximate loss is \$311,440, with a possible loss of \$1,226,560.

17. Multiple fraudulent UI claims have been linked together based upon the Internet Protocol (IP) addresses from which the claims were submitted and/or accessed.<sup>1</sup> Claims were also linked based upon other claim attributes such as the

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<sup>1</sup> An Internet Protocol (“IP”) address is a unique code given to a computer when connected to the Internet through an Internet Service Provider (“ISP”). An ISP assigns the IP address to an end



physical address, and phone number, which led to the discovery of additional IP addresses.

18. The author discovered connections to IP address 24.192.13.179 (IP.24), which itself had been used to submit 15 fraudulent UI claims in Michigan, and accessed an additional 20 of the fraudulent Michigan UI claims in this UI fraud scheme. Records obtained from internet service provider WOW identified “B.M.” as the assignee of IP.24, beginning in October 2019. WOW records further indicate 4448 Howe Road (Howe Road), Wayne, MI 48184, an address that is linked to 26 fraudulent UI claims in this UI fraud scheme, as discussed below.

19. Google and Yahoo records provided via a 2703d order showed that 20 email addresses used in the filing of the fraudulent UI claims provided a phone number ending in 2316 as the recovery phone number for the email accounts. In addition, those email addresses used IP.24 in the creation of the email addresses themselves, and were created just days before the fraudulent Michigan UI claims were filed.

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user. The IP address, along with the date and time, usually allows the ISP to identify the location of the end user and/or subscriber. An IP address looks like a series of four numbers, each in the range 0–255, separated by periods (e.g., 24.192.13.179). This notation is an example of the legacy IP version 4 (“IPv4”) addressing.

20. Comcast records identified KATRINA PATREESE MADDOX as the assignee of IP address 73.208.207.165 (IP.73), during the time of the filing of the fraudulent UI claims. Twenty-one of the fraudulent UI claims reviewed during this investigation were filed by IP.73. Also, one of the fraudulent UI claims, in the name of “R.C.” used the address where IP.73 was located. 2122 S 4th Avenue, Apt 105, Maywood, IL 60153, was used as the claim’s mailing address. A records review by the author indicated that KATRINA PATREESE MADDOX resided at this address during 2019 and 2020.

21. Comcast records also included the phone number ending in 2316, which the author has verified belongs to KATRINA PATREESE MADDOX, through searches of law enforcement databases, and bank records. This phone number was used as the contact phone number for 17 of the fraudulent claims, including multiple claims filed using her own name.

22. On October 27, 2021, the author, along with MUIA Regulation Agent Kurt Eggly, interviewed IP.24 subscriber “B.M”, at her residence. “B.M.” admitted the Howe Road address was her previous address, which she shared with her two children, prior to moving to her new residence Spring 2021. “B.M.” denied knowing anything about the filing of the multiple fraudulent UI claims, because she is in the military, and at the time of the scheme, was stationed overseas. “B.M.” stated she left her home in the care of her adult kids. “B.M.”

stated she recognized the names of family members; however, she did not know the other UI claimants. “B.M.” stated she would contact her daughter “S.M.”, in order for the author to interview “S.M.” at her home as well.

23. On November 08, 2021, the author and Regulation Agent Eggly interviewed “S.M.”, at her mother’s home. “S.M.” stated KATRINA PATREESE MADDUX, her aunt, contacted her while still living in Illinois, and stated she could help “S.M.” file her PUA UI claim. “S.M.” agreed, and her Michigan claim was filed, using IP.73, from MADDUX’S Maywood, IL address. “S.M.” stated MADDUX moved to Michigan and lived with her, at the Howe Road address, while her mother was overseas on military duty. While at the Howe Road address, utilizing IP.24, KATRINA PATREESE MADDUX filed UI claims for multiple family members. “S.M.” denied seeing anyone other than family members in the home. “S.M.” also denied knowing any of the names, involved in the UI fraud scheme. “S.M.” only recognized the names of family members. “S.M.” also stated after a few months, KATRINA PATREESE MADDUX eventually moved to her own place in Southfield, Michigan.

24. Another IP in this UI fraud scheme, IP address 68.34.59.22 (IP.68), was linked to the Michigan residential address used by KATRINA PATREESE MADDUX. Specifically, 32 UI claims made to the State of Michigan, in this UI fraud scheme, were accessed from IP.68. Comcast records identified Maddox

Marketing as the assignee of IP.68, beginning in August 2020. Comcast records further indicated 27495 Franklin Road Apt 206, Southfield, MI 48034, an address that is linked to six fraudulent UI claims in this UI fraud scheme, including four fraudulent ones filed using MADDUX's name. In addition, the phone number ending in 2316, and the User ID "katrinamaddox47" was assigned to the Comcast account.

25. On November 9, 2021, after speaking with "S.M.", the author and MUIA Regulation Agent Eggly went to interview KATRINA PATREESE MADDUX at her Southfield, MI apartment, the same apartment where IP.68 was located. Her nephew, and the son of "B.M.", stated she was not home. The author gave him her phone number, but MADDUX never called the author.

26. In this UI fraud scheme, 34 of the fraudulent Michigan UI claims were deposited onto Bank of America UI debit cards. The cards were primarily used throughout metro Detroit at Bank of America ATMs.

27. In August 2021, the author received images from Bank of America depicting a female resembling MADDUX making withdrawals from Bank of America ATMs, utilizing two different UI debit cards that were not in her name. One withdrawal on July 20, 2020, the female is seen making a withdrawal from a Bank of America ATM in Westland, Michigan using a Michigan UI debit card, in

the name of “S.F.” The Michigan UI debit card was loaded with fraudulently obtained UI funds. That debit card received \$13,080 in fraudulent UI benefits.

28. On December 8, 2021, the author interviewed “S.F.” “S.F.” confirmed he did not file a UI claim in the State of Michigan. “S.F.” stated he worked throughout the entire pandemic, and was not unemployed. “S.F.” denied ever living at the address used in the filing of the claim. “S.F.” also confirmed the SSN and DOB used to file the fraudulent UI claim did belong to him, but he was unfamiliar with the email address or phone number used in the filing of the claim. “S.F.” also denied providing his information to anyone for the purpose of filing the fraudulent Michigan UI claim.

29. A female resembling MADDUX made another withdrawal on July 22, 2020 from a Bank of America ATM in Westland, Michigan using a Michigan UI debit card, in the name of “D.W.” The Michigan UI debit card was loaded with fraudulently obtained UI funds. That debit card received \$10,040 in fraudulent UI benefits.

30. On July 24, 2020, the same female was seen at a Wal-Mart in Woodhaven, Michigan making a purchase using the same Michigan UI debit card in the name of “D.W.”

31. On November 12, 2021, the author received court records from the 18<sup>th</sup> District Court in Westland, Michigan, pertaining to purchases made using a

Michigan UI debit card, which received fraudulent UI funds. The UI card, in the name of “R.C.” was used to pay for multiple court payments for KATRINA PATREESE MADDUX. The District Court account included the Howe Road address mentioned above, and included the phone number ending in 2316. On May 20, and May 21, 2020, four payments were made to the court totaling \$705.75. This Bank of America UI debit card received \$13,080 in fraudulent UI funds from the State of Michigan.

32. On November 15, 2021, the author received records from DoorDash, pertaining to a purchase made using a Michigan UI debit card, which received fraudulent UI funds. The UI card, in the name of “R.S.” was used to pay for a food order for KATRINA PATREESE MADDUX. The food was delivered to the Howe Road address mentioned above, and included the phone number ending in 2316. On July 10, 2020, a payment was made totaling \$45.24. This Bank of America UI debit card received \$10,040 in fraudulent UI funds from the State of Michigan.

33. On December 16, 2021, the author interviewed “R.S.” via phone. “R.S.” confirmed he did not file the fraudulent UI claim. “R.S.” also denied living at the Howe Road address, used in the filing of the UI claim. “R.S.” confirmed the SSN and DOB used to file the fraudulent UI claim did belong to him, but he was unfamiliar with the phone number or email address used in the

filing of the claim. “R.S.” advised he was made aware of the UI claim filed in his name, when he tried to file for UI benefits in July of this year, and was told he had already filed. “R.S.” denied providing his information to anyone for the purpose of filing the UI claim.

## **V. CONCLUSION**

34. Based on the forgoing, there is probable cause to believe that KATRINA PATREESE MADDUX has committed multiple federal crimes, to include mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), and aggravated identity theft (18 U.S.C. § 1028A). These violations stem from an ongoing scheme to defraud federal and state unemployment insurance programs and to obtain unemployment benefits by means of false and fraudulent pretenses and representations. This scheme involved both the wire transmission of signs and signals in interstate commerce and the use of the mails; also, the PII of numerous individuals was used during and in relation to the scheme.

Respectfully submitted,



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Special Agent Shanika Sanders  
Department of Labor-  
Office of Inspector General

Sworn to before me and signed in my  
presence and/or by reliable electronic means  
this 4th day of February 2022.



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Kimberly G. Altman  
United States Magistrate Judge

Dated: February 4, 2022